Report to the General Assembly:
Summary of Annual Reports Filed by Electric Utilities
Regarding the Transition to a Competitive Electric Industry

Required by the
Electric Service Customer Choice and Rate Relief Law of 1997
(Section 16-130 of the Public Utilities Act)

Illinois Commerce Commission

May 2003

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Introduction/Background

Article 16 of the Public Utilities Act ("PUA"), entitled the "Electric Service Customer Choice and Rate Relief Law of 1987" [220 ILCS 5/16], requires electric utilities to annually provide to the Illinois Commerce Commission ("Commission" or "ICC") information regarding the transition to a competitive electric industry. Section 16-130 of the PUA [220 ILCS 5/16-130] requires electric utilities to address eleven topics. Section 16-130(c) requires the Commission to submit a report to the General Assembly summarizing the information provided by each electric utility. Section 16-130 states in part:

> **Section 16-130: Annual Reports. The General Assembly finds that it is necessary to have reliable and accurate information regarding the transition to a competitive electric industry. In addition to the annual report requirements pursuant to Section 5-109 of this Act, each electric utility shall file with the Commission a report on the following [eleven] topics . . ..**
>
> **Section 16-130(b): The information required . . . shall be filed by each electric utility on or before March 1 of each year 1999 through 2007 or through such additional years as the electric utility is collecting transition charges . . ..**
>
> **Section 16-130(c): On or before May 15 of each year . . ., the Commission shall submit a report to the General Assembly which summarizes the information provided by each electric utility under this Section . . ..**

The following pages summarize the electric utilities' responses to the eleven topics addressed in Section 16-130 of the PUA.

The information in this report is based upon information filed by the nine Illinois electric utilities:

- Central Illinois Light Company d/b/a AmerenCILCO,
- Central Illinois Public Service Company d/b/a AmerenCIPS,
- Union Electric Company d/b/a AmerenUE,
- Commonwealth Edison Company ("ComEd"),
- Illinois Power Company ("Illinois Power"),
- Interstate Power and Light Company ("Interstate"),
- MidAmerican Energy Company ("MidAmerican"),
- Mt. Carmel Public Utility Company ("Mt. Carmel"), and
- South Beloit Water, Gas and Electric Company ("South Beloit").

Topic 1: Number of Customers Switching Suppliers and Transition Charge Recovery

Section 16-130(a)(1) requires utilities to provide information concerning the extent to which eligible[1] retail customers switch suppliers and the amount of transition charges paid to the incumbent utilities by those customers.

> **Section 16-130(a)(1): Data on each customer class of the electric utility in which delivery services have been elected including:**
>
> **(A) number of retail customers in each class that have elected delivery service;**
>
> **(B) kilowatt hours consumed by the customers described in subparagraph (A);**
>
> **(C) revenue loss experienced by the utility as a result of customers electing delivery services or market-based prices as compared to continued service under otherwise applicable tariffed rates;**
>
> **(D) total amount of funds collected from each customer class pursuant to the transition charges authorized in Section 16-108;**
>
> **(E) Such other information as the Commission may by rule require**.

Table 1 presents the information provided by the electric utilities to (A), (B), (C), and (D) above. On Table 1, please note: "AmerenCILCO reported no activity." However, since 1997, AmerenCILCO has engaged in competitive energy sales by entering contracts with its industrial and commercial customers at discounted competitive rates that are not tariffed. Ameren CILCO has not reported any information pertaining to these sales.

[1] Section 16-104 of the PUA establishes a phase-in plan for eligibility to choose an alternative electric supplier. The first group of non-residential customers, including certain very large customers, large multi-location customers, and other nonresidential customers selected by lottery, became eligible for choice on October 1, 1999. As of December 31, 2000, all non-residential customers were eligible for choice. Residential customers became eligible for choice on May 1, 2002.

Table 1: Customer Switching and Transition Charge Data

Electric Utility	Number of Customers That Have Elected Delivery Services		Amount of Usage Switched to Delivery Services (kWh million)		Revenue Loss Resulting from Customers Switching to Delivery Services ($ million)		Transition Charge Revenue Collected ($ million)	
	2002	2001	2002	Cumulative[2]	2002	Cumulative	2002	Cumulative
Ameren CILCO	AmerenCILCO reported no activity.							
AmerenCIPS	747	770	1,462	2,165	0.0	3.5	2.5	5.1
AmerenUE	0	0	0	3	0.0	0.1	0.0	0.0
ComEd	21,652	18,268	22,710	54,081	566.2	1,308.8	309.5	576.6
Illinois Power	1,051	853	5,106	10,978	86.1	202.9	32.7	54.4
Interstate	Not applicable; no customers have selected delivery services from Interstate.							
MidAmerican	9	82	1	74	0.0	2.8	0.0	0.0
Mt. Carmel	None reported.							
South Beloit	Not applicable; no customers have selected delivery services from South Beloit.							
Total	23,459	19,973	29,279	67,301	652.3	1,518.1	344.7	636.1

Topic 2: Utility Cost Mitigation Activities

Section 16-130(a)(2) requires utilities to provide information concerning their efforts to mitigate and reduce costs.

> **Section 16-130(a)(2): A description of any steps taken by the electric utility to mitigate and reduce its costs, including both a detailed description of steps taken during the preceding calendar year and a summary of steps taken since the effective date of this amendatory Act of 1997, and including, to the extent practicable, quantification of the costs mitigated or reduced by specific actions taken by the electric utility.**

The utilities furnished the ICC with the following information concerning each utility's major cost mitigation activities:

AmerenCILCO

- For 2002, AmerenCILCO reported that it continued to analyze expenditures and procedures to identify long-term cost reductions without diminishing service or reliability.
- In November 2001, CILCO[3] and its coal supplier negotiated a new coal supply agreement that provides coal to CILCO at prevailing market prices.

[2] "Cumulative" refers to the period from October 1, 1999 through December 31, 2002.
[3] In early 2003, Ameren Corporation completed its acquisition of Central Illinois Light Company ("CILCO").

- In November 2000, CILCO offered a voluntary early retirement program to eligible employees in its electric and gas transmission and distribution areas not previously included in the two 1999 early retirement programs; a total of 41 of the 102 eligible employees retired.

AmerenCIPS/AmerenUE

- In late 2002, Ameren Corporation announced the following actions to mitigate costs:
  - a voluntary retirement program that was accepted by approximately 550 employees,
  - modifications to retiree employee benefit plans to increase co-payments and limit overall cost,
  - a wage freeze in 2003 for all management employees,
  - suspension of operations at two outdated generating plants to reduce operating costs, and
  - reductions of 2003 expected capital expenditures.
- Ameren Corporation continues to evaluate strategies to enhance its financial position, results of operations, and liquidity.

ComEd

- In 2002, ComEd reduced its expenses and capital expenditures by $17 million and $89 million, respectively, compared to 2001. These reductions resulted from employee reductions and the effects of Exelon's Cost Management Initiative. ComEd reduced its number of employees by 676 during 2002 from 7,624 to 6,948.
- In 2001, Exelon, the parent company of ComEd undertook a corporate restructuring to separate generation and other competitive business from the regulated energy delivery business. All of ComEd's generation-related (including nuclear generation) operations, assets, and liabilities were transferred to Exelon Generation Company ("Exelon Genco"). ComEd assigned its rights and obligations under various power purchase and fuel supply agreements to Exelon Genco, and ComEd entered into a power purchase agreement with Exelon Genco.
- On October 20, 2000, Unicom, ComEd's parent company, merged with PECO Energy Company, a Pennsylvania-based utility. Under the terms of the merger agreement, Unicom was required to repurchase $1 billion of its common stock prior to consummation of the merger. In January 2000, ComEd repurchased 26.3 million shares of its common stock from Unicom resulting in an after tax gain of $113 million. In the first quarter of 2000, ComEd repurchased an additional 4 million shares of its common stock from Unicom.
- ComEd's workforce declined in 2000 from 14,245 at year-end 1999 to 13,624 at year-end 2000. ComEd reduced its workforce by 44% in 2001 from 13,624 to 7,624; the large reduction was primarily due to the transfer of employees to Exelon Genco and Exelon Business Service Company affiliate as part of a January 2001 corporate restructuring.

- The nuclear generating plants aggregate capacity factor improved for the second year in a row. The aggregate capacity factor was 94.5% and 89.4% in 2000 and 1999 respectively. Seven of ComEd's ten nuclear units were refueled in 2000 with an average outage time of less than 19 days compared to the U.S. average of 39 days in 2000. Nuclear generation increased to 79.4 million MWhs in 2000, an increase of 7.8% over 1999. Nuclear fuel costs decreased from $5.16 per MWh in 1999 to $4.76 in 2000.
- Taking advantage of the securitization provisions in Article 18 of the PUA, the company realized savings from refinancing debt and equity redemptions with lower cost asset-backed securities. ComEd estimates interest savings to be $50 million annually.

Illinois Power

- In 2002, Illinois Power's staffing level fell from 1,973 to 1,881. The majority of the reduction is attributable to nonunion employee early retirements and attrition. The expected annual savings is $5 million.
- In 2002, Illinois Power expects to begin saving annually $1 million in contractor costs resulting from a switch from monthly to bi-monthly meter reading for customer non-demand type meters. IP also expects to achieve savings through a redesign of its meter reading routes.
- In 2002, additional savings were achieved through newly negotiated contracts, consolidation of offices, and the sale of a building.

Interstate/South Beloit

- Interstate and South Beloit note that the formation of Alliant Energy in April 1998 is anticipated to result in cost savings resulting from operating efficiencies.

MidAmerican

- MidAmerican cites several projects that were undertaken to improve the reliability and lower the costs of generation at MidAmerican's generating facilities and the procurement of fuel.
- MidAmerican has nearly completed a comprehensive overhaul of the work, resource, and asset management information systems for delivery services.
- MidAmerican expects to achieve additional savings through initiatives in the information technology and telecommunications areas.

Mt. Carmel

- In 2000, Mt. Carmel began the process of researching replacement power sources for its wholesale purchase power agreement that expired in 2002. Mt. Carmel's replacement power contract is a five-year contract for a firm power supply at prices fixed over the five-year period.
- During 1999 and the two prior years, Mt. Carmel implemented a hiring freeze to stabilize and reduce operating expenses; this hiring freeze continues.

Topic 3: Depreciation Rate Changes, Mergers, UFAC Elimination and Rate Reductions

Section 16-130(a)(3) of the PUA seeks information about actions that electric utilities have taken pursuant to various sections of the PUA that were amended during the 1997 legislative process.

> **Section 16-130(a)(3): A description of actions taken under Sections 5-104, 7-204, 9-220, and 16-111 of this Act. This information shall include but not be limited to:**
> **(A) a description of the actions taken;**
> **(B) the effective date of the action;**
> **(C) the annual savings or additional charges realized by customers from actions taken, by customer class and total for each year;**
> **(D) the accumulated impact on customers by customer class and total; and**
> **(E) a summary of the method used to quantify the impact on customers.**

A brief description of these PUA sections follows:

- Section 5-104 addresses depreciation.
- Section 7-204 describes the regulatory approvals needed for certain utility reorganizations and mergers.
- Section 9-220 provides various options for utilities that seek to eliminate the Uniform Fuel Adjustment Clause ("UFAC").
- Section 16-111, addresses electric rates during the "mandatory transition period" (1997-2006). This section mandates the residential rate reductions, permits electric utilities to implement a merger, except for a merger with another jurisdictional utility, without obtaining any approval from the Commission, and describes, among many other things, the Commission approvals needed for sales of generation, transmission, or distribution assets that exceed certain maximum allowable caps.

The electric utilities have taken actions under Sections 5-104, 7-204, 9-220, and 16-111 in prior years that have reported in previous versions of this Report to the General Assembly. For events during 2002, the electric utilities furnished the Commission with the following information pertaining to Topic 3:

AmerenCILCO

- Section 7-204: In 2002, CILCO and Ameren Corporation filed reorganization requests with the Commission. On December 4, 2002, the Commission approved the reorganization in Docket No. 02-0428.
- Section 16-111(b): On October 1, 2002, CILCO reduced its electric residential tariffs by 1% to comply with Section 16-111(b).

- Section 16-111(c): On October 4, 2002, CILCO notified Commission Staff of its intent to comply with the notice requirements of Section 16-111(c).
- Section 16-111(g): On February 13, 2002, CILCO filed notice of its intent to transfer certain generation assets and liabilities to a generation subsidiary of CILCO; the Commission approved the transfer on April 10, 2002. CILCO has requested an extension of time to enter into a power supply agreement with its subsidiary; CILCO and its subsidiary expect to enter into the power supply agreement and complete the transfer of the generation assets and liabilities by August 1, 2003.

AmerenCIPS/AmerenUE

- Section 16-111(g): In an amended report, AmerenCIPS reported transactions in 2002 to transfer Electric Energy Inc. stock to Ameren Resources Company and to transfer its Springfield, Illinois, office building at 607 East Adams Street to CIPSCO Investment Company.
- Section 16-111(g): In an amended report, AmerenUE reported a 2002 transaction to transfer to, and leaseback from, the City of Bowling Green, Missouri, a new electric generating facility consisting of four 47 megawatt combustion turbine generating units.

ComEd

- Section 5-104: In 2002, ComEd changed its depreciation rates to reflect the results of its construction program, changes in technology, and changes in its service lives history since the last depreciation study.
- Section 16-111(g): In 2002, ComEd entered into an agreement to sell certain real property located in DuPage County; the proposed sale was cancelled.

Illinois Power

- Section 16-111(b): On May 1, 2002, Illinois Power implemented a 5% decrease in base electric rates to comply with Section 16-111(b).
- Section 16-111(g): Illinois Power did not report a transaction initiated during 2002 to sell its transmission assets to Illinois Electric Transmission Company. Illinois Power withdrew its initial filing and made a subsequent filing in January 2003. Illinois Power withdrew its January 2003 filing pending the rehearing of a proceeding before the Federal Energy Regulatory Commission.

Interstate/South Beloit

- Section 5-104: Interstate requested higher deprecation rates in 2001; the requested rates were approved and became effective in 2002.
- Section 7-204: Interstate was involved in a merger of subsidiaries of Alliant Energy; the merger between IES Industries Inc. and Interstate Power Company was effective January 1, 2002.

MidAmerican

- MidAmerican did not report any activity pertaining to Topic 3 for 2002.

Mt. Carmel

- Mt. Carmel did not report any activity pertaining to Topic 3 for 2002.

Topic 4: Use of Transitional Funding Instruments (Securitization)

Section 16-130(a)(4) of the PUA requires utilities to provide information about the use of transitional funding instruments ("TFIs"). TFIs are special debt securities that carry relatively low interest rates due to a complex legal framework designed to reduce their risk. Specifically, the PUA permits investors in TFIs to directly charge electric utility customers a rate sufficient to meet the debt servicing obligations on the TFIs. This charge, known as the instrument funding charge ("IFC"), is non-bypassable. However, the utility is required to provide its customers with an equal, offsetting credit to their bills so that customers see no increase in their bills due to the IFC.

> **Section 16-130(a)(4): A summary of the electric utility's use of transitional funding instruments, including a description of the electric utility's use of the proceeds of any transitional funding instruments it has issued in accordance with Article XVIII of this Act.**

Only ComEd and Illinois Power have sought and received permission from the ICC to issue transitional funding instruments. The Commission Order in Docket No. 98-0319 authorized ComEd to issue up to $3.4 billion of TFIs. The Commission Order in Docket No. 98-0488 authorized Illinois Power to issue up to $864 million of TFIs. Both utilities issued the full amount of TFIs authorized and used the proceeds to retire outstanding debt and stock.

In the 1999 non-residential and the 2001 residential delivery service tariff proceedings before the Commission, ComEd's and IP's overall rates of return were determined with TFIs included in their capital structures. Without the TFIs, both ComEd's and IP's overall cost of capital would have been higher.

ComEd

- In July 1998, the ICC approved the issuance by ComEd of $6.8 billion in TFIs. In December 1998, ComEd issued $3.4 billion, of Transitional Funding Trust Notes at an average interest rate of 5.57%, through trusts established as "Special Purpose Entities." The notes carry various maturity dates from March 2000 through December 2008.

Illinois Power

- In December 1998, Illinois Power issued $864 million of Transitional Funding Trust Notes at an average interest rate of 5.41%, which represents 25% of IP's total capitalization at December 31, 1996. The notes carry various maturity dates from 2000 through 2008. Illinois Power used these funds to retire debt and equity securities.

Table 2 displays the use of the proceeds from the issuance of TFIs.

Table 2: Use of Proceeds From Transitional Funding Instruments

Expenditure Category	ComEd		Illinois Power	
	Principal ($ million)	Premium ($ million)	Principal ($ million)	Premium ($ million)
Short Term Debt	$ 500.0	$ 0.0	$ 0.0	$ 0.0
Long-Term Debt	1,101.4	35.8	745.9	44.4
Preference Stock	606.8	12.4	15.2	(1.6)
Common Stock	1,063.3		49.1	.2
Equity Investment in ComEd Funding, LLC	17.0			
Other Expenses and Fees	22.8		10.8	
Total	$ 3,311.3	$ 48.2	$ 821.0	$ 43.0

Topic 5: Revenue and Consumption Statistics

Section 16-130(a)(5) of the PUA requires utilities to provide revenue and kWh sales information that isolates the annual impact of the mandatory residential rate reductions and mitigation factors on a “base year” level of revenue while assuming everything else remains constant. The base year is calendar year 1996, and revenue is calculated as 1996 kWh used during the year by customer class multiplied by the customer class’ 1996 revenue per kWh, exclusive of add-on taxes.

> **Section 16-130(a)(5): Kilowatt-hours consumed in the twelve months ending December 31, 1996 (which kilowatt-hours are hereby referred to as “base year sales”) by customer class multiplied by the revenue per kilowatt-hour, adjusted to remove charges added to customers bills pursuant to Sections 9-221 and 9-222 of this Act, during the twelve months ending December 31, 1996, adjusted for the reductions required by subsection (b) of Section 16-111 and the mitigation factors contained in Section 16-102. This amount shall be stated for: (i) each calendar year preceding the year in which a report is required to be submitted pursuant to subsection (b); and (ii) as a cumulative total of all calendar years beginning with 1998 and ending with the calendar year preceding the year in which a report is required to be submitted pursuant to subsection (b).**

Table 3 displays the information presented pursuant to Sections 16-130(a)(5) and 16-130(a)(6).

Topic 6: Adjusted Revenue and Consumption Statistics

Section 16-130(a)(6) of the PUA modifies the information provided pursuant to Section 16-130(a)(5) by using base year (1996) revenue per kWh multiplied by actual kWh sales in each year for which the information is required. The impact of the mandatory rate reductions and mitigation factors is subtracted in each year, as required by Section 16-130(a)(5).

> **Section 16-130(a)(6): Calculations identical to those required by subparagraph (5) except that base year sales shall be adjusted for growth in the electric utility's service territory, in addition to the other adjustments specified by the first sentence of sub-paragraph (5).**

The Commission has construed Sections 16-130(a)(5) and (a)(6) as requiring certain information for the 1998 and subsequent years to allow a comparison of two scenarios. The first scenario is based on the assumption that the usage of electricity is constant, at 1996 levels, for each class of customers throughout the period during which Section 16-130 requires reports. The second scenario is based on actual usage of electricity (1) that the utility delivers, either as part of a bundled sale, as a Section 16-110 purchase, or as a delivery of third-party furnished electricity, or (2) that the electric utility does not deliver but as to which it is entitled to collect transition charges. The Commission's understanding is that Sections 16-130(a)(5) and (a)(6) are intended to allow for a comparison of (1) the electric utility revenue diminution resulting from the residential rate reductions and mitigation factors, calculated through time as it would have been viewed as of the enactment of Article XVI, based upon static usage at 1996 levels (Section 16-130(a)(5)), with (2) the revenue effects calculated on the basis of all assumptions held constant except usage, with usage adjusted to show actual kilowatt-hours delivered (or otherwise forming the basis for transition charge collections) during the relevant years (Section 16-130(a)(6)).

Most of the utilities did not interpret Sections 16-130(5) and (a)(6) in the manner just described. Therefore, the Commission requested that the utilities provide information enabling the Commission to calculate the revenue figures consistent with the Commission's interpretation of Sections 16-130(a)(5) and (a)(6). A summary of this information is shown in Table 3.

Table 3: Base Year 1996 Revenue Data and Subsequent Years' Revenue Data[4]

Electric Utility	Year	Topic 5 Revenue per kWh per year applied to base year 1996 kWh ($ thousand)	Topic 6 Revenue per kWh per year applied to each year's kWh ($ thousand)
AmerenCILCO	1996	287,179	287,179
	1997	287,179	288,878
	1998	286,292	303,929
	1999	281,777	303,740
	2000	257,012	282,765
	2001	264,518	293,066
	2002	260,125	297,808
AmerenCIPS	1996	509,255	509,255
	1997	509,255	507,529
	1998	504,650	525,484
	1999	473,678	486,186
	2000	462,376	515,690
	2001	449,572	576,425
	2002	443,346	489,839
AmerenUE	1996	149,865	149,865
	1997	149,865	152,241
	1988	148,961	154,158
	1999	141,751	138,980
	2000	130,248	133,275
	2001	127,831	127,104
	2002	126,333	126,478
ComEd	1996	5,793,293	5,793,293
	1997	5,793,293	5,782,823
	1998	5,641,116	5,902,056
	1999	5,428,430	5,734,173
	2000	5,368,399	5,775,320
	2001	5,810,522	6,359,542
	2002	5,696,730	6,372,535

[4] The information in Table 3 was calculated by the Commission Staff based on information provided by the electric utilities upon request of the Commission Staff.

Electric Utility	Year	Topic 5 Revenue per kWh per year applied to base year 1996 kWh ($ thousand)	Topic 6 Revenue per kWh per year applied to each year's kWh ($ thousand)
Illinois Power	1996	1,134,604	1,134,604
	1997	1,134,604	1,134,500
	1998	1,105,552	1,136,801
	1999	1,058,387	1,102,877
	2000	1,026,045	1,104,367
	2001	996,807	1,082,159
	2002	981,192	1,088,763
Interstate	1996	15,755	15,755
	1997	15,755	15,844
	1998	15,755	15,848
	1999	15,597	15,824
	2000	14,708	15,063
	2001	14,409	13,859
	2002	14,230	14,473
MidAmerican	1996	105,786	105,786
	1997	105,786	108,872
	1998	105,388	114,014
	1999	104,144	107,162
	2000	101,275	100,671
	2001	99,465	101,842
	2002	97,452	113,420
Mt. Carmel	1996	10,183	10,183
	1997	10,183	8,258
	1998	10,183	8,136
	1999	11,915	9,483
	2000	10,058	8,033
	2001	9,523	7,848
	2002	9,390	7,957
South Beloit	1996	8,288	8,288
	1997	8,288	8,567
	1998	8,288	8,766
	1999	8,234	8,669
	2000	7,899	8,344
	2001	7,553	7,884
	2002	7,433	8,000

Topic 7: Utility Revenue and Income

Section 16-130(a)(7) of the PUA requires utilities to provide total revenue and net income amounts to the ICC, as reported on the utility's Form 1 report to the Federal Energy Regulatory Commission ("FERC").

> **Section 16-130(a)(7): The electric utility's total revenue and net income for each calendar year beginning with 1997 through the calendar year preceding the year in which a report is required to be submitted pursuant to subsection (b) as reported in the electric utility's Form 1 report to the Federal Energy Regulatory Commission.**

Total revenue and net income figures, as provided to the ICC by each electric utility, are summarized in Table 4. The information does not represent each utility's total revenues and net income derived solely from the utility's in-state electric operations because of other operations, out-of-state operations, and non-operating costs. For example, the amounts for Ameren CILCO, AmerenCIPS, Illinois Power, and Mt. Carmel represent those utilities' gas and electric operations and non-operating costs; the amounts for AmerenUE, Interstate Power, and MidAmerican include amounts earned from electric and gas operations, amounts earned in other states, and non-operating costs; the amounts for South Beloit include amounts earned from electric, gas, and water operations and non-operating costs; and the net income amount for ComEd includes non-operating costs.

Table 4: Utility Revenue & Net Income, 1999-2002 [per pages 114 & 117 of the FERC Form No. 1][5]

	2002		2001		2000		1999	
Utility	Revenue ($ million)	Net Income ($ million)	Revenue ($ million)	Net Income ($ million)	Revenue ($ million)	Net Income ($ million)	Revenue ($ million)	Net Income ($ million)
AmerenCILCO	613.5	50.1	657.2	14.6	650.9	47.8	562.5	19.2
AmerenCIPS	823.6	26.4	840.3	45.3	873.0	79.4	876.5	54.0
AmerenUE	2,540.3	343.7	2,628.2	373.8	2,516.7	353.0	2,367.5	349.3
ComEd	6,092.8	790.3	6,166.4	606.9	6,970.7	731.7	6,766.9	622.7
Illinois Power	1,518.3	160.7	1,614.4	166.2	1,585.6	134.9	1,903.2	113.1
Interstate[6]	1,212.6	90.9	1,323.3	98.1	1,236.0	103.1	1,144.7	97.3
MidAmerican	2,049.0	175.8	2,183.8	152.8	2,141.8	165.5	1,667.6	127.3
Mt. Carmel	14.3	0.5	13.8	0.6	12.8	0.5	12.1	0.7
South Beloit	18.4	0.9	19.8	1.5	17.8	2.4	16.4	2.0

[5] Table 4 presents total company Revenue and Net Income, not Illinois only or electric only.

[6] As reported in Topic 2, Interstate is the product of a merger between IES Industries Inc. and Interstate Power Company effective on January 1, 2002. The Revenue and Net Income amounts for 1999 through 2001 are aggregations of the respective individual company amounts for IES Industries Inc. and Interstate Power Company.

Topic 8: Generating Plant Sales to Non-Affiliates

Section 16-130(a)(8) of the PUA requires utilities to provide the ICC with information about the sales of generating plants to non-affiliated third parties.

> **Section 16-130(a)(8): Any consideration in excess of the net book cost as of the effective date of this amendatory Act of 1997 received by the electric utility during the year from a sale made subsequent to the effective date of this amendatory Act of 1997 to a non-affiliated third party of any generating plant that was owned by the electric utility on the effective date of this amendatory Act of 1997.**

The electric utilities reported no receipt of any consideration that is reportable under Section 16-130(a)(8) in 2002.

Topic 9: Plant Sales or Transfers to Affiliates

Section 16-130(a)(9) of the PUA requires utilities to provide information about sales of transfers of generating plants to affiliated interests.

> **Section 16-130(a)(9): Any consideration received by the electric utility from sales or transfers during the year to an affiliated interest of generating plant, or other plant that represents an investment of $25,000,000 or more in terms of total depreciated original cost, which generating or other plant were owned by the electric utility prior to the effective date of this amendatory Act of 1997.**

The electric utilities reported no receipt of any consideration that is reportable under Section 16-130(a)(9) in 2002.

Topic 10: Plant Sales or Transfers by Affiliates to Non-Affiliates

Section 16-130(a)(10) of the PUA requires each utility to provide information about the sales of generating plants by the utility's affiliates to third parties.

> **Section 16-130(a)(10): Any consideration received by an affiliated interest of an electric utility from sales or transfers during the year to a non-affiliated third party of generating plant, but only if: (i) the electric utility had previously sold or transferred such plant to the affiliated interest subsequent to the effective date of this amendatory Act of 1997; (ii) the affiliated interest sells or transfers such plant to a non-affiliated third party prior to December 31, 2006; and (iii) the**

> **affiliated interest receives consideration for the sale or transfer of such plant to the non-affiliated third party in an amount greater than the cost or price at which such plant was sold or transferred to the affiliated interest by the electric utility.**

The electric utilities reported no receipt of any consideration that is reportable under Section 16-130(a)(10) in 2002.

Topic 11: Reporting of Transmission and Distribution Expenditures

Topic 11 was added by Public Act 91-50 in response to ComEd's 1999 fossil generating asset sale. Public Act 91-50 requires a commitment to make expenditures made for transmission and distribution projects, programs, and improvements as described below in Section 16-111(k) of the PUA.

> **Section 16-111(k): If an electric utility is selling or transferring to a single buyer 5 or more generating plants located in this State with a total net dependable capacity of 5000 megawatts or more pursuant to subsection (g) of this Section and has obtained a sale price or consideration that exceeds 200% of the book value of such plants, the electric utility must provide to the governor, the President of the Illinois Senate, the Minority Leader of the Illinois Senate, the Speaker of the Illinois House of Representatives, and the Minority Leader of the Illinois House of Representatives no later than 15 days after filing its notice under subsection (g) of this Section or 5 days after the date on which this subsection (k) becomes law, whichever is later, a written commitment in which such electric utility agrees to expend $2 billion outside the corporate limits of any municipality with 1,000,000 or more inhabitants within such electric utility's service area, over a 6-year period beginning with the calendar year in which the notice is filed, on projects, programs, and improvements within its service area relating to transmission and distribution including, without limitation, infrastructure expansion, repair and replacement, capital investments, operations and maintenance, and vegetation management.**

Public Act 91-50 concurrently revised the reporting requirements of Section 16-130 by adding an eleventh topic in Section 16-130(a)(11):

> **Section 16-130(a)(11): A summary account of those expenditures made for projects, programs and improvements relating to transmission and distribution including, without limitation, infrastructure expansion, repair and replacement, capital investments, operations and maintenance, and vegetation**

management, pursuant to a written commitment made under subsection (k) of Section 16-111.

ComEd provided the following information in response to Section 16-130(a)(11). The total cumulative expenditures through the first four years of the mandatory transition period exceeds its commitment to spend $2 billion over a 6-year period.

ComEd's Transmission and Distribution Expenditures Outside Chicago
($ million)

	(2002)	Cumulative (1999-2002)
Operation and Maintenance	$ 312	$ 1,184
Capital Installation	447	$ 1,928
Total T&D Expenditures Outside Chicago	$ 759	$ 3,112